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THE Fats and Oils SITUATION

BUREAU OF AGRICULTURAL ECONOMICS
UNITED STATES DEPARTMENT OF AGRICULTURE

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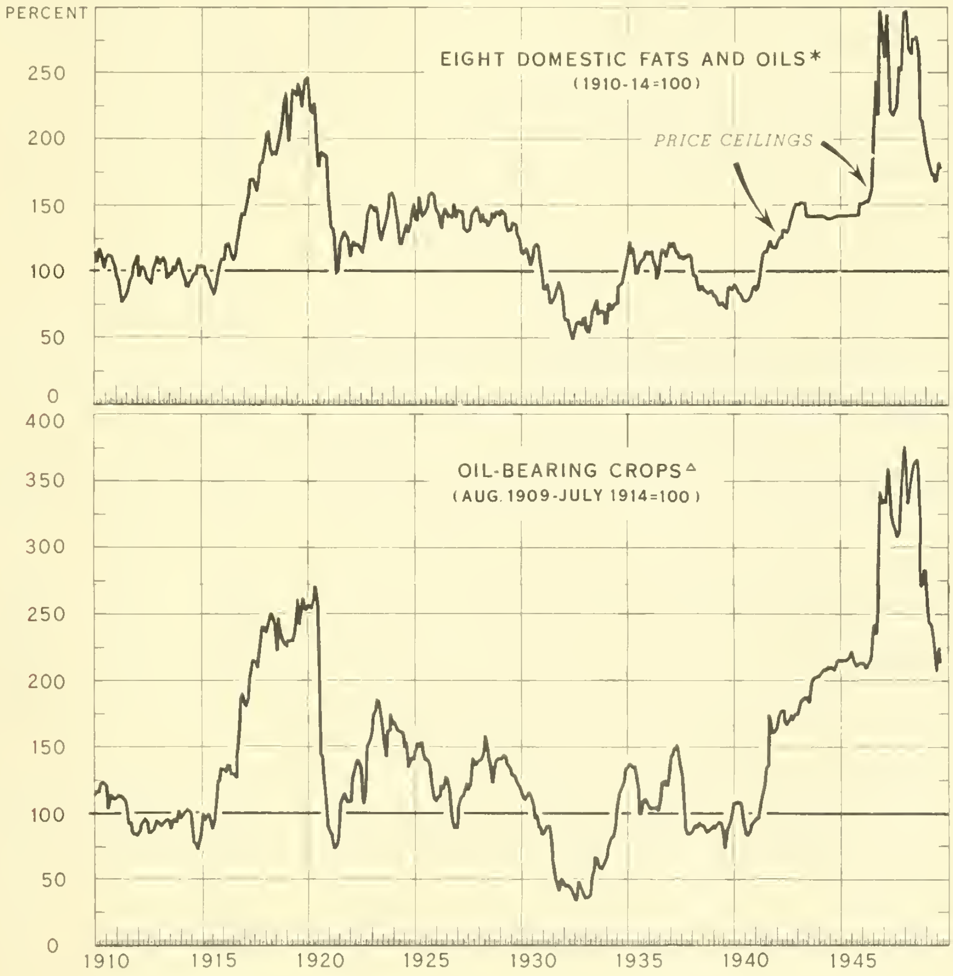
WHOLESALE PRICES OF EIGHT DOMESTIC FATS AND OILS AND PRICES RECEIVED BY FARMERS FOR OIL-BEARING CROPS, UNITED STATES, 1910-49



* BUTTER, LARD, EDIBLE TALLOW, INEDIBLE TALLOW, GREASE, OLEO OIL, COTTONSEED OIL, LINSEED OIL

△ COTTONSEED, FLAXSEED, PEANUTS, AND (BEGINNING 1935) SOYBEANS

U S DEPARTMENT OF AGRICULTURE NEG 46208 BUREAU OF AGRICULTURAL ECONOMICS

By September 1949, prices of domestic fats and oils had declined an average of 40 percent from the January 1948 postwar peak. The price of butter was down 26 percent; other prices had fallen 41 to 79 percent. Prices of domestic oilseeds had declined an average of 44 percent. Declines after the summer of 1948 were mainly a result of an increase in domestic production of fats and oils from 10.2 billion pounds in the year ended September 1948 to a record of about 11.6 billion pounds a year later and a prospective heavy output again in 1949-50.

Continued low prices in relation to the postwar peaks are in prospect, especially for lard, tallow, and greases. Price-support programs probably will maintain the index of prices of 1949 oilcrops near the September 1949 level.

Table 1.- Wholesale prices per pound of fats, oils, and glycerin at specified markets, and index numbers of prices of fats and oils, September 1947 and 1948, July-September 1949

Item	September		1949		
	1947	1948	July	August	September
	Cents	Cents	Cents	Cents	Cents
Butter, 92-score, Chicago	79.8	72.0	59.9	61.9	61.9
Butter, 92-score, New York	80.1	71.5	59.9	61.8	62.2
Oleomargarine, dom. veg., Chicago	32,0	36.6	25.0	28.2	27.8
Shortening, cottonseed, hydrogenated, 10-drum lots, N. Y.	27.2	31.8	19.8	22.0	22.6
Shortening, cont.animal fat, 1-lb. cartons, Chicago	27.5	32.5	23.0	23.2	23.4
Lard, loose, Chicago	21.0	20.5	10.4	13.2	12.0
Lard, prime steam, tierces, Chicago	21.3	19.0	11.4	13.1	12.4
Lard, refined, 1-pound cartons, Chicago	23.2	24.6	13.5	17.0	16.4
Oleo oil, extra, drums, Chicago	1/23.4	27.4	11.2	14.0	14.4
Oleostearine, barrels, N. Y.	1/18.0	1/22.5	9.8	10.6	11.0
Tallow, edible, Chicago	17.5	14.3	6.2	7.7	7.3
Corn oil, crude, tanks, f.o.b. mills	20.5	23.0	11.4	14.5	13.2
Corn oil, refined, drums, New York	26.9	31.2	16.7	20.4	19.2
Cottonseed oil, crude, tanks, f.o.b. S. E. mills	20.6	22.1	11.0	15.2	11.6
Cottonseed oil, p.s.y., bleachable, tank cars, N. Y. 2/	22.2	23.1	12.6	16.1	14.2
Cottonseed oil, refined, drums, New York	27.0	31.4	17.1	21.2	20.0
Peanut oil, crude, tanks, f.o.b. mills	20.8	24.2	13.9	18.4	16.3
Peanut oil, refined, drums, N. Y.	26.5	31.4	19.7	24.0	23.4
Soybean oil, crude, tank cars, midwestern mills	18.8	22.8	9.7	12.9	11.4
Soybean oil, refined, drums, N. Y.	23.2	28.7	14.4	16.8	15.6
Babassu oil, tanks, New York	14.5	26.8	18.8	20.5	17.8
Coconut oil, crude, tank car lots, Pacific Coast 3/	18.5	28.1	17.8	18.9	16.4
Coconut oil, Cochin type, refined, drums, N.Y. (tax included)	20.1	31.0	21.5	22.2	22.4
Olive oil, imported, edible, drums, N. Y.	85.1	61.5	47.3	46.9	44.5
Olive oil, California, edible, drums, N. Y.	71.7	56.7	45.3	44.8	43.3
Olive-oil foots, domestic, drums, carlots, N. Y.	---	23.2	20.4	20.2	18.6
Palm oil, Congo, drums, N. Y. 3/	---	27.0	17.6	15.9	14.6
Sesame oil, refined, drums, N. Y.	4/25.0	---	41.0	41.0	41.0
Teaseed oil, refined, drums, N. Y.	---	33.0	25.0	25.0	---
Tallow, inedible, prime or extra, carlots, Chicago	16.8	13.3	5.4	6.9	6.4
Tallow, No. 1, inedible, Chicago	15.3	11.2	4.3	5.8	5.1
Grease, A White, Chicago	16.1	12.4	5.0	6.3	5.9
Grease, Yellow, Chicago	16.0	10.4	4.0	5.4	4.8
Menhaden oil, light pressed, tanks, N. Y.	17.2	19.0	9.2	9.6	10.0
Sardine oil, crude, tanks, Pacific Coast	5/18.0	15.6	5.6	6.8	6.9
Cottonseed-oil foots, raw (50%T.F.A.) delivered, East	3.9	2.9	1.8	2.1	1.8
Tall oil, refined, tanks, works	6.8	5.8	5.0	5.0	5.0
Linseed oil, raw, tank cars, Minneapolis	29.0	27.1	24.1	19.8	19.0
Linseed oil, raw, drums, carlots, N. Y.	30.3	29.1	25.1	21.6	20.8
Oiticica oil, drums, f.o.b. N. Y.	26.2	18.2	18.4	19.8	23.4
Tung oil, drums, carlots, N. Y.	25.0	22.4	22.4	24.6	27.0
Tung oil, tanks, f.o.b. Pacific Coast	---	---	21.0	23.0	24.5
Castor oil, No. 3, drums, carlots, N. Y.	27.6	21.6	17.1	17.0	17.0
Castor oil, No. 1, tanks, N. Y. (New Jersey mills)	27.2	20.5	17.2	17.2	17.2
Castor oil, dehydrated, tanks, N. Y.	30.0	24.0	21.0	21.0	21.0
Cod-liver oil, med. U.S.P. bbl., N. Y.	38.4	34.5	31.5	28.6	25.9
Cod oil, Newfoundland, drums, N. Y.	21.0	24.5	12.8	11.4	10.4
Glycerin, soaplye, basis 80%, tanks, N. Y.	22.5	29.0	16.6	15.9	15.9
INDEX NUMBERS (1935-39=100)					
Eight domestic fats and oils (1910-14=100)	254	232	168	181	177
Eight domestic fats and oils (.72*)	251	228	167	179	175
All fats and oils (27 items) (.73*)	259	245	181	190	186
All fats and oils, except butter (26 items). (.82*)	243	241	154	167	157
Grouped by origin:					
Animal fats (.69*)	259	232	178	188	186
Marine animal oils (.77*)	6/321	344	158	153	153
Vegetable oils, domestic (.84*)	262	269	167	190	173
Vegetable oils, foreign (.88*)	253	282	218	210	207
Grouped by use:					
Butter (.67*)	272	245	203	210	210
Butter, seasonally adjusted (.67*)	267	240	219	218	206
Lard (.78*)	209	186	112	128	122
Other food fats (.84*)	252	268	157	186	170
All food fats (.71*)	259	242	180	193	189
Soap fats (.80*)	241	256	145	161	152
Drying oils (.85*)	287	274	239	211	206
Miscellaneous oils (.71*)	301	279	204	187	180
All industrial fats and oils (.82*)	265	264	188	183	177

Prices compiled from Oil, Paint and Drug Reporter, The National Provisioner, The Journal of Commerce (New York), Chicago Journal of Commerce, and reports of Production and Marketing Administration, and Bureau of Labor Statistics. Excise taxes and duties included where applicable. Index numbers of earlier years beginning 1910 are in Technical Bulletin No. 737 (1940) and The Fats and Oils Situation beginning December 1940.

1/ Tierces. 2/ Near-by futures. 3/ Three-cent processing tax added to prices as originally quoted. 4/ Tanks, Pacific Coast. 5/ One quotation. 6/ Applies to menhaden and sardine oils only.

THE FATS AND OILS SITUATION

Approved by the Outlook and Situation Board, October 24, 1949

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SUMMARY

The output of fats and oils from domestic materials in the year beginning October 1949 probably will moderately exceed the new high of a year earlier, when production totaled about 11.6 billion pounds, including the oil equivalent of exported soybeans, flaxseed, and peanuts for crushing. Prospective increases in 1949-50 in output of lard, greases, butter, and cottonseed oil more than offset expected declines in production of soybean and peanut oils.

Exports of fats and oils probably will be large again in 1949-50, although a decline from the record total of about 2.1 billion pounds a year earlier is likely. Consumption of fats and oils per person in Europe is still well below prewar, despite increasing domestic production and available supplies in world surplus areas. Prices of United States fats and oils,--notably lard, edible vegetable oils, inedible tallow, greases and soybeans--are attractive for export. Foreign supplies of dollar exchange in 1949-50 may not be greatly affected by the recent devaluations of foreign currencies, and fats and oils are likely to remain among the preferred agricultural commodities for which foreign-held dollars will be spent. There may be some shift in preference, however, from fats to feedstuffs, including oilseed meals, to support expanding livestock production.

With domestic production remaining high and a slight decline indicated in domestic business activity, prices of fats and oils in 1949-50 probably will average lower than a year earlier. The price of lard will be under strong downward pressure because of a major increase in production and a very inelastic domestic demand. Prices

of edible vegetable oils will be under less pressure. The increase in cottonseed-oil output probably will not offset the decline in production of soybean and peanut oils (including oil equivalent of exported peanuts and soybeans). Fat and oil prices declined substantially during the first half of 1949. The index number of 26 major fats and oils (butter excluded) stood in early October 1949 at about 150 (1935-39=100) compared with 155 under wartime price ceilings, peaks of more than 300 in early 1947 and early 1948, and 235 in October 1948.

The Agricultural Act of 1949, passed by Congress October 19, prescribes a new method of calculating parity prices for agricultural commodities after 1949, in addition to the present method. The higher of the two parities is to be used in 1950-53 in computing price-support levels for basic commodities, which include peanuts. The new method will be used for all other commodities beginning January 1, 1950, and will be used for basic commodities after 1953.[1] In 1950, the new method will give higher parities for cottonseed, soybeans, and flaxseed than the present method, but the present method will give the higher parity for peanuts.

The price of peanuts is to be supported in 1950 at 90 percent of the parity price at the beginning of the marketing season, since peanut growers have approved marketing quotas for the 1950 crop. Public Law 272, enacted in August 1949, establishes a minimum of 2.1 million acres picked and threshed for the 1950 national peanut acreage allotment. This minimum compares with an allotment of 2,628,970 acres in 1949. Acreage allotments and marketing quotas for peanuts in 1949 were the first since 1942. With production in 1949 reduced more than 20 percent below 1948, the surplus of peanuts to be sold by CCC in 1949-50 at reduced prices for crushing and export will be substantially smaller than in the two preceding years. Farm and commercial uses of peanuts in 1949-50, including utilization for peanut butter, candy, and roasting and salting, probably will remain about the same as a year earlier.

A support price of 60 percent of parity on April 1, 1950 has been announced for the 1950 crop of flaxseed. The support for the 1949 crop of flaxseed was 90 percent of the April 1 parity price. The total supply of flaxseed and linseed oil for the 1949-50 marketing year is equivalent to 81 million bushels of flaxseed, enough to provide a two-year supply of linseed oil at the rate of use in recent years. Nearly 40 million bushels of flaxseed and linseed oil in terms of flaxseed were carried over from the 1948 crop, of which CCC held 36 million. Price supports for tung nuts and butterfat produced after 1949 are mandatory. The Secretary of Agriculture may determine the support price for tung nuts at any level from 60 to 90 percent of parity. Butterfat and its products must be supported at any level from 75 to 90 percent of parity that the Secretary of Agriculture determines necessary in order to assure an adequate supply.

The Secretary of Agriculture is authorized, but not required, to support the price of soybeans and cottonseed produced in 1950 at any level not above 90 percent of parity at the beginning of the marketing year.

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[1] Except that the "transitional parity", provided by the Agricultural Act of 1948 will be used if it is higher than the new parity. Transitional parities will not apply to oilcrops in 1950.

Price support to farmers for 1949-crop soybeans and cottonseed is being offered through loans (and also through purchases of cottonseed from producers) at 90 percent of the comparable or parity price at the beginning of the marketing year.

The longer-term outlook for soybeans remains relatively favorable. In addition to a strong export demand for crushing, soybeans have benefited from expanding domestic uses of soybean oil and meal in recent years. In 1948-49, soybean exports totaled 22 to 23 million bushels, compared with the previous peak of 11 million bushels from the 1939 crop. Exports of soybeans are likely to be large again in 1949-50. World supplies of oilseeds available for the European crushing industry are materially smaller than prewar. Manchurian soybeans, exports of which formerly averaged 70 million bushels annually, have been available only in small quantities to Western nations since the war.

OUTLOOK:

Prices of Fats and Oils in 1949-50 Likely to Average Lower Than a Year Earlier

Prices of most fats and oils probably will average lower in the year beginning October 1949 than a year earlier. Domestic production is likely to increase moderately, and domestic demand for fats and oils probably will decrease slightly. Export demand for fats and oils also may decline with continued improvement in available world supplies. However, foreign demand will still be stronger than in most prewar years, and exports probably will be very substantial again in 1949-50. This will tend to moderate declines in prices of fats and oils in the United States.

Price trends of fats and oils in recent months have tended to reestablish prewar price relationships among the various products. Reflecting a reduced price for the 1949 crop of flaxseed, the price of linseed oil (raw, tank cars, Minneapolis) declined from about 27 cents per pound in the early spring of 1949 to about 18 cents per pound in early October and 17 cents per pound later in the month. Prices of fast-drying oils advanced from mid-1949 to early October as a result of continuing small imports of tung oil. These changes have left linseed oil priced below fast drying oils, as before the war.

Prices of major imported oils other than drying oils declined materially from early 1949 to early October. Declines in these prices continued through the late summer, while prices of most domestic fats and oils were higher in early October than in July. Wholesale prices of domestic fats and oils (butter and linseed oil excluded) in early October averaged about 120 percent of the 1935-39 level compared with 115 percent in July 1949 and 202 percent in October 1948. Wholesale prices of coconut, palm and other imported oils, except drying oils, in early October 1949 averaged about 190 percent of 1935-39 compared with 216 percent in July 1949 and 296 percent in October 1948. The decline in prices of these imported oils during 1949 was mainly a consequence of competition in European markets with U. S. lard, soybean oil, and other edible oils, which reached Europe in early 1949 in unprecedented quantities and at reduced prices.

Table 2.- Index numbers of wholesale prices of fats and oils and of all commodities, and wholesale prices per pound of leading fats and oils, United States, specified periods

INDEX NUMBERS (1935-39=100)

Item	Average 1937-41	1945 (ceilings)	Average Nov. 1946-Sept. 1947 1/	Average Oct. 1947-Sept. 1948	Average Oct. 1948-Sept. 1949	Early Oct. 1949
27 major fats and oils	98	149	263	274	199	181
26 items, excluding butter	93	155	288	278	186	149
Butter	101	142	238	269	209	210
Lard	79	135	240	226	137	115
Other food fats	98	168	311	309	195	157
Soap fats	99	150	291	301	186	139
Drying oils	108	174	335	291	258	198
All commodities (B.L.S. index)	102	128	156	169	170	2/169

WHOLESALE PRICES, SPECIFIED MARKETS

Item	Cents	Cents	Cents	Cents	Cents	Cents
Olive oil, edible, imported, drums, N. Y.	35.7	3/60.7	96.2	66.2	55.3	44.0
Butter, 92-score, Chicago	29.6	42.3	70.0	79.0	61.5	61.8
Lard, tankcar lots, Chicago	7.7	12.8	22.6	22.2	13.0	12.5
Cottonseed oil, crude, S.E. mills	7.0	12.8	26.3	26.9	13.8	10.5
Soybean oil, crude, Midwest mills	6.4	11.8	23.2	23.8	13.1	10.4
Tallow, inedible, prime, Chicago.	6.3	8.6	18.5	18.5	8.1	6.0
Coconut oil, crude, tankcars Pacific Coast 4/	7.0	11.0	20.0	25.8	19.8	13.5
Palm oil, Congo, drums, N.Y. 4/ 5/	7.9	11.4	n.a.	n.a.	22.1	14.1
Linseed oil, raw, tankcars, Minneapolis	9.3	14.3	33.5	28.8	25.2	18.0
Tung oil, drums, New York	21.7	39.0	32.9	25.6	23.0	27.0

Wholesale prices compiled from Oil, Paint, and Drug Reporter, The National Provisioner, and reports of the Production and Marketing Administration. Retail prices from Bureau of Labor Statistics.

1/ October 1946 omitted because most prices were subject to ceilings that month.

2/ August.

3/ Domestic.

4/ Three cents added to allow for tax on first domestic processing.

5/ Niger, 1937-41: c.i.f., 1945.

n. a. Not available.

Despite these delines, prices of coconut and palm oils in early October 1949 were well above the prewar relationships with domestic fats and oils. Before the war, the chief use of coconut and palm oils was in soap. Their prices (including processing tax) in the United States were slightly above the price of tallow and roughly equal to prices of lard and crude edible oils. In early October 1949, prices of coconut and palm oils, at 13 to 14 cents per pound (bulk at ports, plus allowance for processing tax), were more than twice as high as the price of inedible tallow and greases, and 10 to 30 percent above prices of domestic edible fats and oils.

Palm oil has been used in the United States since the war almost exclusively by the steel industry, for tin and terne plating. Use in soap has been very small, because tallow and grease, which are similar to palm oil in their soap-making characteristics, have been lower in price than palm oil during most of the postwar period. The price of palm oil is likely to continue to be determined, in the near future at least, by its value in Europe as a food fat. At this level, palm oil will not compete with inedible tallow and grease for use in soap.

Coconut oil has also been high priced since the war in relation to domestic soap fats, because of its value in Europe as a food fat. However, though reduced, substantial quantities of coconut oil have continued to be used in soap. The lauric-acid content of coconut oil gives soap free-lathering qualities not obtainable when tallow and grease are used alone. In the first half of 1949, use of coconut oil in soap amounted to 14 percent of the use of all fats and oils in soap, compared with 20 percent in 1937-41. Coconut oil fatty acids are important now in manufacturing some types of synthetic detergents. Purchases of coconut oil for stockpiling in the United States apparently have also had some effect on prices.

Increase in Animal-Fat Production in 1949-50 Will More Than Offset Decline in Vegetable Oil Output

Production of fats and oils from domestic materials, including the oil equivalent of exported domestic oilseeds, probably will total over 11.8 billion pounds in the year beginning October 1949. This would be larger than the total of nearly 11.6 billion pounds the preceding year and well above the wartime peak of 11.0 billion pounds.

Animal fats.- Substantial increases in animal-fat production are likely in 1949-50. The 1949 spring pig crop was 15 percent larger than a year earlier. Spring pigs began to move to market earlier than usual this year. An estimated 1.5 million had been slaughtered by October 1. Slaughter in the remainder of the usual marketing period for spring pigs, extending through March 1950, may be 10-11 percent larger than in October 1948-March 1949.

The yield of lard per hog slaughtered tends to rise when the number of hogs slaughtered increases. Apparently, with high consumer incomes the market for fat cuts of pork is relatively fixed, so that after a certain number of fatbacks and plates have been salted or pickled, most of the remainder are rendered for lard. As the number of hogs slaughtered increases, the percentage of fatbacks and plates rendered also increases. With the substantial increase in hog slaughter anticipated for October-March, the average lard yield per hog is likely to be somewhat higher than a year earlier.

With an increase of 13 percent expected in the total number of sows farrowing fall pigs, the number of fall pigs saved is likely to be 10 to 13 percent larger than in 1948. In that year the average number of pigs saved per litter was at a new high.

The increase in the 1949 fall pig crop is likely to be reflected in a somewhat more than proportionate increase in lard production in April-September 1950, when the 1949 fall pigs will be marketed. Output of lard in the year beginning October 1949 probably will total 2.8 to 2.9 billion pounds compared with 2.5 billion pounds a year earlier.

Cattle slaughter has been well maintained in 1949 and is likely to continue large in 1950. Also, in view of the large supply of feed grains, a relatively larger percentage of the cattle slaughtered will be grain-fed. This will mean a good yield of tallow per animal. Total output of tallow and greases in the year beginning October 1949 may rise about 5 percent above a year earlier, when about 2,075 million pounds were produced. This assumes that renderers' operations will continue at the level of recent years. Since production of tallow and greases in the first half of 1949 increased in relation to hog and cattle slaughter, the exceptionally low price for tallow and greases in the first half of 1949 apparently did not bring about a decline in the output from rendering establishments.

Production of butter in 1949-50 is expected to increase 5 to 10 percent to around 1.8 billion pounds, partly as a result of reduced exports of cheese and other manufactured dairy products. Utilization of milk will shift from the production of these items for export to the production of butter. Total output of farm milk in 1949-50 is expected to be at least as large as a year earlier. Perhaps less milk will be used in fluid form than in 1948-49. If the expected increase in butter output materializes, production will be the largest since 1943 but will still be about 20 percent lower than prewar.

Vegetable oils.- A moderate decline in production of edible vegetable oils, including exports of soybeans and peanuts in terms of oil, in the year beginning October 1949 is foreshadowed by crop indications October 1.

Production of soybeans for beans this year was indicated October 1 to be about 211 million bushels, 9 million bushels less than in 1948. This reduction will be largely reflected in crushings and exports of soybeans in 1949-50, compared with a year earlier, because non-crushing uses of soybeans probably will not decline materially. The carry-over of old-crop soybeans on October 1, 1949 was small. The indicated reduction of 9 million bushels in the 1949 crop is equivalent to nearly 90 million pounds of soybean oil.

Peanuts usually provide only a minor part of the vegetable-oil supply of the United States. However, in 1948-49, when a record crop of 2.3 billion pounds was picked and threshed, there was a surplus of about 1.1 billion pounds (330 million pounds in terms of oil) over commercial edible and farm uses. About one-third of this surplus was crushed and the other two-thirds was exported for crushing abroad. With the 1949 crop of peanuts picked and threshed estimated to be 534 million pounds less than last year, the surplus for crushing and export will be reduced by about the same quantity, equivalent to about 160 million pounds of oil.

On the basis of the October 1 estimate of cotton lint production and the 1944-48 average ratio between production of seed and lint, output of cottonseed in 1949 will total about 6.2 million tons compared with 5.9 million in 1948. Hence, production of cottonseed oil in August 1949-July 1950 probably will be moderately larger than the 1,702 million pounds produced a year earlier. Production of cottonseed in 1950 and output of cottonseed oil in 1950-51 are likely to decline substantially. A national cotton acreage allotment of 21 million acres was announced for 1950 by the Secretary of Agriculture October 13, 1949. The acreage of cotton in cultivation July 1, 1949 was 26,380,000.

Corn oil is a byproduct of the processing of corn for other products, mainly for corn starch and corn sugar. Processing for these purposes varies largely in response to the demand for the products, and partly also with the supply of corn. As demand is expected to continue strong and corn supplies for 1949-50 are abundant, production of corn oil may be about the same as in 1948-49, when about 220 million pounds were produced.

Table 3.- Oil crops, including peanuts: Production and yield per acre, United States, 1937-49

Item	Unit	Average, 1937-41	Average, 1942-46	1947	1948	1949, indicated October 1
				PRODUCTION		
Cottonseed	1,000 tons	5,500	4,394	4,681	5,941	1/ 6,236
Soybeans	Mil.bu.	76.7	192.6	183.6	220.2	211.2
Flaxseed	do.	19.6	34.0	40.5	52.5	41.2
Peanuts	Mil.lb.	1,395	2,106	2,183	2,338	1,804
				YIELD PER ACRE 2/		
Cottonseed	Pounds	414	433	435	514	1/ 473
Soybeans	Bushels	18.7	18.9	16.4	21.4	21.8
Flaxseed	Bushels	8.0	8.3	9.7	10.7	8.2
Peanuts	Pounds	767	649	646	706	709

1/ Calculated from the October indication of 1949 cotton lint production and the 1944-48 average ratio between production of cottonseed and cotton lint.

2/ Cottonseed, per acre in cultivation July 1; soybeans, per acre harvested for beans; flaxseed, per acre planted; peanuts, per acre picked and threshed.

ECA Dollars To Help Maintain Strong Export Demand in 1949-50

The ruling factor in export demand for fats and oils in the United States in 1949-50 will continue to be the supply of dollar exchange of the major fat-and-oil importing countries. Fats and oils probably will remain among the preferred agricultural commodities for which dollars will be spent, whether by Government allocation or through commercial channels. Next to grains, fats are the cheapest import source of calories, and a certain amount of fat is essential in human diets. However, there may be some shift from fats and oils to feedstuffs (including oilseed meals) to support increasing livestock production. European production and import supplies of fats and oils from colonial areas and other non-U. S. sources are increasing, but per-person consumption of fats in Europe is still materially below prewar, varying by countries from about the prewar level in Belgium and Switzerland to less than 50 percent of prewar in Germany.

Although the recent devaluations of foreign currencies will tend to depress prices of United States export commodities, the effect on prices of fats and oils probably will be slight. In some of the major importing countries prices of fats from non-dollar areas were materially higher before devaluation than prices of fats from the United States. In these cases devaluation has merely raised the price of United States fats and oils, in terms of the local currency, to about the same level as prices already being paid for fats from non-dollar areas. In other countries, strong demand for fats and oils probably will bring local prices back up to the United States level. Also, the devaluations may tend to divert some dollar exchange to fats and oils from other dollar commodities less favorably priced in relation to competing items from non-dollar sources.

In July 1948-June 1949 total exports of fats and oils to ECA countries were 1,102 million pounds (including oilseeds in terms of oil), 60 percent of total exports to all countries. ECA and Army financing accounted for roughly 75 percent of the total to ECA countries; the other 25 percent was financed with "free" dollars earned by foreign trade and tourist and other services.

The second largest market for United States fats and oils is the Latin American Republics, which took 294 million pounds, 16 percent of the total for 1948-49. Yugoslavia and Poland imported substantial quantities of U. S. lard in the spring quarter of 1949. Spain also imported a large quantity of soybean oil, to maintain domestic edible oil consumption while exporting olive oil from the unusually small 1948-49 output. The Department of the Army bought substantial quantities of soybeans and peanuts in 1948-49 to help feed the Japanese.

When the prohibition against margarine manufacture in Canada was declared invalid by the Canadian Supreme Court on December 14, 1948, our exports of soybean, cottonseed, and other edible oils rose sharply. Canada accounted for about 70 percent of the 186 million pounds of all fats and oils exported in July 1948-June 1949 to areas other than Europe, Latin American, and Japan.

Table 4.- Fats, oils, oilseeds and soap, in terms of oil: U. S. exports by destinations, July, 1948-June 1949

Item	ECA countries 1/	Non ECA European countries	Japan, Korea, and Ryukyu	Latin-American Republics	All other countries	Shipments to U.S. territories 2/	Total 3/
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
Food fats and oils							
Lard	271.5	26.0	.1	180.0	11.3	47.9	536.8
Edible beef fats 4/	15.7	5/	5/	2.5	1.3		19.6
Soybeans (15 %)	106.9	--	39.5	5/	19.7		166.0
Soybean oil	191.8	18.4	1.8	12.3	11.4		235.7
Peanuts, shelled (43%)	172.6	--	13.0	--	5/		185.6
Peanut oil	27.1	--	5/	2.4	1.2		30.8
Cottonseed oil	38.4	5/	.3	5.4	31.4		75.5
Other edible 6/	.8	5/	.2	6.9	14.8	30.2	52.9
Total, edible	824.8	44.4	54.9	209.5	91.1	78.1	1,302.9
Non food fats and oils							
Inedible tallow	137.0	12.8	11.1	56.0	25.8	--	242.7
Greases	28.0	--	5/	3.0	17.1	--	48.1
Flaxseed (35.4 %)	84.1	--	8.4	5/	5/	--	92.6
Linseed oil	11.6	5/	.6	1.1	.7	.2	14.2
Soap (fat content)	2.7	.1	2.4	7.1	17.3	24.7	54.3
All others	14.0	5/	.9	17.7	33.6	.6	7/71.3
Total, nonfood	277.4	12.9	23.4	84.9	94.5	25.5	7/523.2
Exports through private relief agencies							8/19.7
Grand total	1,102.2	57.3	78.3	294.4	185.6	103.6	7/1,845.8

Compiled from reports of the Bureau of the Census.

1/ United Kingdom, France, Italy, Germany, Netherlands, Austria, Belgium, Denmark, Greece, Ireland, Norway, Portugal, Sweden, Switzerland, Turkey.

2/ Partly estimated.

3/ Computed from unrounded numbers.

4/ Oleo oil, edible tallow, oleo stearine, and oleo stock.

5/ Less than 50,000 pounds.

6/ Butter and butter spreads, corn oil, edible olive oil, margarine, shortening, and cottonseed (15.5 percent). Shipments also include oleo oil, edible tallow, cottonseed oil, soybean oil, vegetable stearine, mayonnaise (fat content), oleostearine, and peanut oil.

7/ Includes 4.6 million pounds of fish-liver oils and other fats and oils for which a geographical distribution is not given.

8/ July 1948-March 1949 only.

The number of ECA dollars allocated in 1949-50 to fat-and oil purchases from the United States is likely to be moderately smaller than a year earlier but probably will still finance exports approaching 1 billion pounds.

Since production of oilseeds in Japan cannot be increased much, and supplies from Manchuria and North China are not freely available, the United States will again be a leading source of Japanese imports of oils and oilseeds.

The Latin-American demand for fats and oils from the United States may be somewhat less strong than in 1948-49, because large purchases in the first half of 1949 restored inventories in most countries to normal working levels.

Over the longer term , export demand for United States fats and oils will decline substantially from the present high level, because of reductions in dollar grants from the United States, rising production in Europe, and increasing export surpluses in Africa. Reduction in demand abroad for fats from the United States would bear especially heavily on prices of lard, tallow, and greases. With livestock production expected to continue large in the United States, output of slaughter fats is likely to continue substantially in excess of domestic consumption. Prices of lard, tallow and grease in the United States probably will be based on the export market.

Imports Likely to Remain Relatively Small

Public Law 155, enacted July 1, 1949, authorized import licensing for fats and oils, and for rice and rice products when controls are (1) essential to the acquisition or distribution of products in world short supply, or (2) essential to the orderly liquidation of temporary surpluses of stocks owned or controlled by the Government. These controls are to be removed as soon as the conditions giving rise to them have ceased. The law will expire June 30, 1950.

Import licenses, issued by the U. S. Department of Agriculture, are required to import butter, cottonseed oil, flaxseed, flaxseed screenings, lard, lard compounds and substitutes, linseed oil, oleo oil, oleostearine, edible and inedible olive oil, palm oil, peanuts (shelled, unshelled, roasted, or prepared), peanut butter, peanut oil, rice and rice products, soap, soap powders, soybeans, soybean oil, sunflower seed, sunflower oil, edible and inedible tallow, and combinations or mixtures of fats and oils or fatty acids from vegetable, animal, or fish oils. Import licenses are being granted freely for palm oil and up to a total of 33,000 metric tons of edible olive oil in 1949. Licenses for the other commodities listed, however, are restricted to exceptional cases, in view of existing and prospective Government holdings of domestic oilseeds and oils acquired through price-support measures for 1948 and 1949 crops.

With imports of most fats and oils restricted through licensing, increases in imports up to next July probably will be limited mainly to palm and coconut oils. Output of palm oil is increasing in the Belgian Congo and Indonesia, and exports of copra and coconut oil are still rising in Indonesia and Malaya. Exports of copra and coconut oil from the Philippine Islands showed a sharp increase last summer, indicating a recovery from the relatively low level of output in most of 1948 and in early 1949. Increases in United States imports of palm oil and coconut oil (including coconut oil in the form of copra) in 1949-50 are likely to be moderate because of the high prices of these oils in relation to prices of competing domestic fats. A substantial increase in output of Philippine copra, however, would lead to a decline in the price of coconut oil and materially larger imports into the United States.

The anticipated increases in imports of palm and coconut oils will be at least partly offset by a decline in imports of tung oil from China. Reflecting the recent military successes of the Chinese Communists and the sea blockade being enforced by the Nationalists, imports of tung oil into the United States since February 1949 have been small. The monthly average for March-August 1949, including quantities from Argentina and other non-Chinese sources, was only 2.5 million pounds compared with 11 million pounds a month in 1948.

Domestic Disappearance of Fats and Oils Down in 1948-49

Domestic disappearance of fats and oils in the year ending June 1949 totaled about 10.1 billion pounds (including actual weight of butter) compared with 10.6 billion pounds a year earlier and an average of 9.6 billion pounds in 1937-41. On a per-person basis, apparent disappearance in 1948-49 was only 66 pounds (fat content), 4 pounds less than a year earlier and 4 pounds below prewar. Disappearance of food fats declined slightly, from a little less than 43 pounds (fat content) per person to a little more than 42 pounds. Apparent disappearance of oils and fats in industrial products declined sharply, from more than 26 pounds per person in 1947-48 to less than 24 pounds in 1948-49.

The decrease in industrial uses of fats and oils apparently was due partly to increased use of petroleum-base synthetic detergents in competition with soap, and partly to declining industrial activity in the first half of 1949. Also, actual use probably was larger than the apparent disappearance. Because of the decline in prices of oils and fats during early 1949, dealers and users apparently deferred new purchases and reduced inventories of fats and oils and fat-and-oil products. Since most of these inventories are not reported, a large part of the change in dealers' and users' stocks is not allowed for in the computed disappearance of fats and oils into industrial products

There was a widespread anticipation in early 1949 of the decline to come in the price of linseed oil in the summer of 1949, the beginning of the new flaxseed marketing year. Dealers and users reduced stocks of linseed oil and paint to a minimum. Manufacturers deferred the use of linseed oil in their products wherever possible. The quarterly data on linseed-oil disappearance suggest that these factors probably were responsible for most of the decline from a total of 574 million pounds in 1947-48 to 481 million pounds in 1948-49.

Table 5.- Linseed oil: Apparent domestic disappearance, United States, 1946-49

Period	1946-47	1947-48	1948-49
	Mil. lb.	Mil. lb.	Mil. lb.
July -Sept.	170	134	174
Oct. - Dec.	156	144	131
Jan. - Mar.	153	144	96
Apr. - June	144	152	80
Total	623	574	481

Computed from reports of the Bureau of the Census, using data on production, foreign trade, and factory and warehouse stocks.

In most years, industrial uses of fats and oils rise or fall with industrial activity. In 1949-50, however, even though industrial activity is expected to average moderately lower than in 1948-49, apparent disappearance in industrial uses may not decline, because there probably will be a rebuilding of dealers' and users' inventories.

Fats and oils will continue to meet strong competition from recently developed chemicals. Soap fats will meet competition from synthetic detergents. Drying oils will meet competition from synthetic resins and from new products made partly from drying oils and partly from non-fat sources. It has been claimed that new chemical bread softeners are displacing fats in the baking industry. Because of the substantial reduction in prices of fats and oils since the summer of 1948, however, competing chemicals probably will not make such rapid inroads on traditional fat-and-oil markets as in 1947 and 1948.

Changes in Food-Fat Consumption Likely To Be Slight

Domestic production of butter, lard, edible tallow and other edible beef fats, and the vegetable oils used principally for food probably will total over 8.7 billion pounds in the year beginning October 1949. This is moderately above output a year earlier and is substantially above the level of domestic consumption. In 1948-49 there were large exports of soybeans, soybean oil, peanuts, peanut oil, cottonseed oil, and lard. Domestic consumption of food fats may increase slightly in 1949-50, as a result of lower average prices than in 1948-49. Most of the increase is likely to be in butter and lard consumption.

Butter.- Consumption of butter by civilians in the year ending June 1949--the latest 12 months for which complete statistics are available for all food fats--amounted to about 10.4 pounds (actual weight) per person compared with 10.2 pounds a year earlier and the 1937-41 average of 16.8 pounds. The increase in consumption in 1948-49 was associated with an increased output and a lower average price. The retail price of butter averaged 88 cents per pound in 1947-48, an all-time high, and declined to an average of 77 cents the following year. The Government began to support the wholesale price of butter in April 1949 at 59 cents per pound (for 92-score, carload lots), and increased the support to 62 cents per pound in late July. These supports are equivalent to 90 percent of the parity price for butterfat at the beginning of 1949. The support level corresponds to 70 to 72 cents per pound at retail. The Agricultural Act of 1949 provides for support of butterfat prices after 1949 at 75 to 90 percent of the modernized parity price. With production of butter likely to increase in 1949-50, some increase in consumption is probable, since prices are now somewhat lower than a year ago and the highest support required by law in 1950 is not likely to be higher than the present level.

Margarine.- Civilian consumption of margarine declined from 5.9 pounds (actual weight) per person in July 1947-June 1948 to 5.7 pounds in 1948-49. There may be a further decline in margarine consumption in 1949-50 because of the moderately lower price of butter than in 1948-49. However, this decline probably will be slight, because margarine prices are considerably below their historical average relationship of half the price of butter. The average retail price of margarine in leading cities of the United States declined from 41 cents per pound in 1947-48 to 37 cents in 1948-49, and in August 1949 (the latest reported) was 30 cents per pound.

Lard.- Disappearance of lard in civilian trade channels(excluding use in shortening, margarine, and nonfood products) declined from 12.9 pounds per person in 1947-48 to 12.5 pounds in 1948-49, despite a decline in the average retail price in leading cities of the United States from 30 cents per pound to 24 cents per pound. Exports of lard (including shipments to U. S. Territories) in the first half of 1949 totaled 367 million pounds. This was 214 million more than a year earlier and was at an annual rate well above any previous year, except for 1943 and 1944, since 1929.

With the retail price of lard in August 1949 around 19 cents per pound and likely to remain low, a moderate increase in consumption is likely in 1949-50. A low price for lard apparently will be necessary if the prospective increase in production is to be moved into export or domestic markets.

Shortening.- Civilian disappearance of shortening declined from 9.8 pounds per person in July 1947-June 1948 to 9.4 pounds in 1948-49. The average retail price of shortening in containers other than cartons (mostly hydrogenated shortenings) declined from 43 cents per pound in 1947-48 to 40 cents in 1948-49. In August 1949, the latest reported, the average retail price was 33 cents per pound. Consumption of shortening may not increase in 1949-50 because of the competition of increased supplies of lard. The retail price of lard in August 1949 was materially lower than the price of shortening and is likely to remain relatively low.

Other food fats and oils.- Other food fats and oils comprise mainly cottonseed, soybean, corn, peanut, olive, and coconut oils used as cooking and salad oils, in mayonnaise and salad dressings, and in bakery goods and confectionery. Civilian disappearance in these uses rose from 7.0 pounds per person in 1947-48 to 7.3 pounds per person in 1948-49. These food uses of fats and oils showed a strong upward trend before the war and are now back to about the 1937-41 average, after a substantial decline in the war years.

Table 6.- Food fats: Average retail price per pound in leading cities of the United States, specified periods

Item	Average 1937-41	1945 (Ceilings)	Average, July 1947-June 1948	Average, July 1948-June 1949	August 1949
	Cents	Cents	Cents	Cents	Cents
Butter	37.0	50.7	86.4	77.4	72
Lard	12.6	18.8	30.1	24.3	19
Margarine	17.3	24.1	40.5	36.5	30
Shortening 1/	20.4	24.6	43.4	40.1	33

Compiled from reports of Bureau of Labor Statistics.

1/ In containers other than cartons. Represents largely hydrogenated shortenings.

Reduced Price for Linseed Oil, Increased Prices of Fast-Drying Oils in 1949-50

Supplies of linseed and soybean oils in 1949-50 will be more than sufficient to meet domestic demands in drying-oil uses. The 1949 crop of flaxseed and the carry-over of flaxseed and linseed oil from the 1948 crop are large enough to provide a 2-year supply of linseed oil at the average rate of use in recent years. The 1949 soybean crop is the second largest on record; about 10 percent of the production of soybean oil in recent years has been in drying-oil products.

Supplies of most fast drying-oils probably will be reduced in 1949-50. United States stocks of tung oil, oiticica oil, castor oil, and castor beans in terms of oil totaled 77 million pounds on July 1, 1949 compared with 85 million a year earlier. Imports of these oils are expected to decline in 1949-50. Imports of tung oil from China in the first half of 1949 totaled only 27 million pounds, 34 million less than a year earlier, and in view of the political and military situation in China, it is unlikely that imports into the United States will return soon to the 1947 and 1948 rate of about 130 million pounds annually. Imports of castor beans may decline moderately in 1949-50 as a result of a smaller crop in Brazil in 1949 than in 1948. Production of Brazilian castor beans in 1949 is estimated at 198,000 tons compared with 261,000 tons in 1948 and the 1935-39 average of 148,000 tons. Imports of oiticica oil in the latter half of 1949 are expected to be small because production of oil from the 1949 crop of oiticica seeds amounted to only 5 million pounds compared with 57 million in 1948 and the 1937-41 average of 21 million pounds.

Demand for drying oils in 1949-50 may decline moderately with reduced industrial production. However, apparent disappearance may not decline from the 1948-49 total of 948 million pounds, which was nearly 100 million pounds smaller than a year earlier. In the first half of 1949, dealers' expectations of a decline in the price of linseed oil were refleted in a sharply reduced apparent disappearance. This situation was reversed following the price decline at the beginning of the 1949-50 flaxseed marketing year. Heavy orders were received by crushers for linseed oil at the new level of prices.

The use of linseed and tung oils declined in 1948-49 while total utilization of other drying oils increased slightly. Prices for linseed oil in 1948-49 were exceptionally high in relation to prices of other drying oils, especially soybean and tall oils.

The competitive position of tung oil has been weakened somewhat in recent years. Available quantities of substitutes such as dehydrated castor oil have increased. Technological developments have been adopted on a commercial scale for modifying the drying characteristics of linseed and soybean oils and for using these oils in connection with alkyd resins and other chemicals, to make products similar in their uses to tung oil.

Plentiful supplies of drying oils probably will keep the general level of prices of drying-oils about the same as in early October 1949, when the index number was about 200 percent of the 1935-39 average compared with 275 percent a year earlier.

Exports of Inedible Tallow and Greases Likely to Remain Large

Production of inedible tallow and greases probably will remain large in 1949-50. Abundant feed supplies will encourage a continued high livestock production. Recovery of animal fats has increased markedly since prewar in relation to livestock slaughter. Barring the possibility that continued low prices for inedible animal fats will bring a reduction in renderers activities, the yield of inedible fat per animal slaughtered probably will remain high.

Production of inedible tallow and greases has been outrunning domestic consumption since 1946. The difference averaged 35 to 40 million pounds a quarter in 1947 and 1948 but increased sharply to more than 100 million pounds a quarter in the first half of 1949, when output rose and use declined. The decline in use apparently was partly due to the downward trend in business activity. But a recovery in use of tallow and greases in the United States to the high levels of the war and early postwar years is not likely, because synthetic detergents apparently have taken over part of the market for soaps.

With production of inedible tallow and grease expected to continue to exceed domestic consumption, exports probably will remain high. At the level of prices in the United States in recent months, inedible tallow and greases are the lowest-priced soap fats available to importing countries.

Table 7.- Inedible tallow and greases: Apparent production, net trade, and factory consumption, and recovery per 100 pounds dressed weight of commercially slaughtered cattle and hogs

Period	Apparent production 1/	Factory consumption	Net imports (+) or net exports (-)	Commercial production of beef and pork (dressed weight, excluding lard) 2/	Recovery of inedible tallow and greases per 100 pounds of beef and pork
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Pounds
Average					
1937-41	1,167.2	1,158.2	+ 1.7	13,831	8.4
1942-46	1,748.5	1,810.3	+25.3	19,044	9.2
1947	2,023.2	1,881.6	-67.8	18,907	10.7
1948					
Jan.-Mar.	549.0	487.0	- 7.7	4,553	12.1
Apr.-June	484.2	444.5	-17.2	4,171	11.6
July-Sept.	417.8	390.6	-26.0	3,750	11.1
Oct.-Dec.	491.1	461.9	-36.3	4,920	10.0
Year	1,942.2	1,784.0	-87.2	17,394	11.2
1949					
Jan.-Mar.	575.1	426.2	-80.9	4,653	12.4
Apr.-June	528.1	404.9	-147.4	4,173	12.7

Compiled from reports of Bureau of the Census and U. S. Department of Agriculture.
1/ Computed from factory consumption, foreign trade, and factory and warehouse stocks. 2/ Total production except from farm slaughter.

New Method of Calculating Parity Prices Established

The Agricultural Act of 1949, passed by Congress October 19, 1949, prescribes a method for calculating new parity prices for agricultural products. These new parities are to be used after 1949 in calculating price support levels for agricultural commodities, except for two cases: (1) The "transitional" parity price provided by the Agricultural Act of 1948 is to be used if it is higher than the new parity; (2) for basic commodities in 1950-53, the old parity price is to be used if it is higher than the new parity. Peanuts are designated as a basic crop. Other oil crops are nonbasic. Transitioal parities will not apply to oil crops in 1950.

An adjusted base price for a given commodity is to be calculated each year by dividing the average price received by farmers in the preceding 10 years by the average index number of prices received for all farm products in the same 10 years. Wartime subsidy payments to producers to maintain OPA price ceilings are to be included in these price calculations. The new parity price is obtained by multiplying the adjusted base price by the new parity index, which now will include wages paid hired farm labor, as well as prices paid by farmers interest, and taxes.

New parity prices, if calculated for September 1949, would have been 26 percent higher than the old parity price for cottonseed, 11 percent higher than the comparable price for soybeans, and 6 percent higher than the old parity for flaxseed. The new parity price for peanuts, however, would have been 20 percent below the old parity. Details of the computations that would have applied to September 1949, if the new method had been in effect in 1949 are as follows:

Table 8.- Oilcrops and butterfat: Illustrative computation of new parity prices, applied to September 1949, and comparisons with old parity prices

Commodity	Unit	Calculation of new parities				New parity, per unit, mid-Sept. 1949 (col.3x col.4)	"Old" parity, per unit, mid-Sept. 1949
		1939-48 average		Adjusted base price, per unit (col.1 ÷ col.2)	Index number of prices paid, interest, taxes, and wages, mid-Sept. 1949 (1910-14=100)		
		Price received by farmers for commodity, per unit	Index number of prices received by farmers, all commodities (1910-14=100) 1/				
		(1)	(2)	(3)	(4)	(5)	(6)
		Dollars		Dollars		Dollars	Dollars
Cottonseed	Ton	50.70	188	26.97	255	68.80	54.60
Peanuts	Pounds	.0685	188	.0364	255	.0928	.116
Soybeans	Bushels	1.89	188	1.01	255	2.58	2/2.32
Flaxseed	do.	3.20	188	1.70	255	4.34	4.09
Tung nuts	Ton	79.90	188	42.50	255	107.00	--
Butterfat	Pound	1/ .521	188	.277	255	.706	.639

1/ Including wartime subsidy payments made to producers under programs designed to maintain maximum prices established under the Emergency Price Control Act of 1942 (OPA). 2/ Comparable price.

These calculations are illustrations only. Parity prices in 1950 will differ from these prices as a result of (1) a change in the base period from 1939-48 to 1940-49 (2) possible changes resulting from reweighting the parity index and (3) fluctuations in the level of the parity index after September 1949.

Price Support for 1950 Crop of Peanuts to Remain at 90 Percent of Old Parity

Since the 1942 crop, the price of peanuts to farmers has been supported at 90 percent of the parity price at the beginning of the marketing year, compared with an average of 59 percent in 1937-41. Ninety percent of parity on July 15, 1949 was 10.5 cents per pound ($210 per ton), compared with 10.8 cent per pound ($216 per ton) a year earlier. Support prices for the 1949 crop vary around the basic level of 10.5 cents in accordance with type and sound mature kernel content.

Under the Agricultural Act of 1949, the support price for the 1950 crop will be 90 percent of the old parity price at the beginning of the marketing year, since peanut growers have approved marketing quotas for this crop. In the fall of 1947, peanut growers voted in favor of peanut acreage allotments and marketing quotas for the three crops beginning with 1948. The Secretary of Agriculture is required to announce not later than December 1, 1949 the national marketing quota for the 1950 crop of peanuts. Unless quotas for the 1950 crop are terminated because of a national emergency or because of increased demand, marketing quotas and allotments will be in effect for the 1950 crop. Public Law 272, enacted in August 1949, provides that the total national acreage allotment for peanuts picked and threshed in 1950 may not be less than 2.1 million acres.

Acreage and production of peanuts remained large in 1947 and 1948. Most of the large surplus over domestic farm and commercial edible uses was exported for crushings abroad, with domestic crushings remaining about as large as in the war years (table 9). European demand for oilseeds from the United States was strong, as the supply available from other world export surplus areas was much below prewar. Acreage allotments and marketing quotas reduced the 1949 crop in anticipation of less urgent demand from Europe and reduced export prices for peanuts. The export market for peanuts in coming years is likely to be limited to a relatively small quantity for edible uses, mostly in Canada. The minimum acreage allotment of 2.1 million acres for 1950, if adopted, would reduce the picked and threshed acreage about 25 percent from the 1949 level. This would probably result in a production of 1.5 billion pounds in 1950 compared with 1.8 billion in 1949 and over 2 billion pounds in every year from 1942 to 1948 inclusive.

Domestic commercial uses of cleaned and shelled peanuts, except for crushing, in the year ended August 1949 totaled about the same as a year earlier. This was slightly less than 1.0 billion pounds (farmers' stock basis) compared with a peak of 1.4 billion pounds in 1944-45 and a prewar average of nearly 0.9 billion pounds. These figures include some peanuts resold to farmers for planting, but nearly all of the commercial use is for food purposes, including peanut butter manufacture, salting and roasting, and candy making. During the war, peanut products apparently were substituted by civilians for foods that were hard to obtain because of wartime conditions--sugar, jams, imported nuts, and possibly meat. Also, substantial quantities were taken by the armed forces, partly as peanut butter and partly as salted peanuts.

Consumption of peanuts in edible products in 1949-50 may remain about the same as a year earlier. The decline of $6 per ton in the support price will tend to increase consumption, but this probably will be offset by an expected moderate decline in consumers' income. The surplus for crushing and export will be reduced from about 1.1 billion pounds (farmers' stock basis) to about 0.6 billion pounds.

Table 9. - Peanuts: Price to farmers, production (picked and threshed) farm uses, domestic commercial disappearance and exports, United States, 1937-49

Year	Season average price per pound received by farmers	Production (picked and threshed)	Farm uses (farmers' stock basis) 1/	Domestic commercial disappearance (except for crushing): Cleaned	Domestic commercial disappearance (except for crushing): Shelled	Crushings: Farmers' stock peanuts	Crushings: Shelled peanuts	Exports 2/: Cleaned peanuts	Exports 2/: Shelled peanuts
	Cents	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
Average 1937-41	3.6	1,395	227	70	523	261	31	3/	3
1942	6.1	2,193	361	59	800	391	40	3/	3
1943	7.1	2,176	296	78	778	408	47	3	22
1944	8.0	2,081	298	103	837	119	4/ 171	2	19
1945	8.3	2,042	287	80	781	90	185	5	41
1946	9.1	2,038	302	64	626	263	163	19	160
1947	10.1	2,183	285	67	583	274	111	10	331
1948 5/	10.5	2,338	295	68	583	128	187	10	526
1949 5/		1,804							

Compiled from reports of Bureau of the Census and Bureau of Agricultural Economics. Domestic commercial disappearance (except for crushing) computed as total disappearance of cleaned and shelled peanuts minus crushings and exports. 100 pounds of farmers' stock peanuts yield about 95 pounds of cleaned peanuts, about 65 pounds of shelled edible grade kernels, or nearly 70 pounds of edible and oil-stock kernels.

1/ Seed, feed and loss, and farm household use.
2/ Including shipments to U. S. Territories, September 1943-August 1947.
3/ Less than 500,000 pounds.
4/ Total crushings minus crushings of imported Argentine peanuts.
5/ Preliminary.

National Cotton Acreage for 1950 Allotment 20 Percent below 1949 Acreage

The Secretary of Agriculture on October 13 proclaimed a national cotton acreage allotment of 21 million acres for the 1950 crop and a national marketing quota of 11,733,750 standard bales of 500 pounds gross weight. A program for allocating this acreage and quota among cotton farmers will be carried into effect if approved by two-thirds or more of the farmers voting in a referendum to be held December 15. Only farmers who produced cotton in 1948 are eligible to vote in the referendum.

Assuming the same ratio between production of cottonseed and cotton lint as the average for 1944-48, the national quota for cotton lint in 1950 is equivalent to about 4.7 million tons of cottonseed. This is 24 percent smaller than the production of cottonseed in 1949, if the October 1 estimate of 1949 cotton lint production is borne out and if the ratio between production of seed and lint is equal to the 1944-48 average.

Under the Agricultural Act of 1949, price support for cottonseed harvested in 1950 is permissive, at any level not exceeding 90 percent of parity at the beginning of the marketing season.

CCC is offering to make nonrecourse loans to farmers at $49.50 per ton on clean, safely stored 1949-crop cottonseed having a moisture content of 11 percent or less. This support is based on 90 percent of the parity price of cottonseed on August 1, 1949. Settlement values for cottonseed carried by farmers until May 1950 will be $50.65 per ton for basic-grade cottonseed, with premiums or discounts for seed that grades above or below 100.

It was announced October 4 that beginning immediately CCC will buy cottonseed from farmers as an additional measure to support the price of 1949 cottonseed. Purchases will be made through cooperating ginners, or if necessary through county PMA committees, who are to pay farmers the purchase price established by CCC. Farmers will receive $46.50 per ton for storable cottonseed -- the base price of $49.50 per ton less $3.00 per ton to offset storage, service, and other costs. Under the standard storage loan program, these costs are borne by farmers.

State and county committees of the Production and Marketing Administration, USDA, are responsible for directing and supervising all aspects of the purchase program.

CCC stated that the purchase program is an emergency measure for the present year only. Cottonseed purchased under this program, or products processed from such cottonseed, will not be sold in the domestic market for less than the full cost to the Corporation.

Reduced Support Price for Flaxseed Produced in 1950; World Supplies Large

Flaxseed produced in 1950 will be supported at 60 percent of the parity price as of April 1, 1950 compared with 90 percent of parity for the 1949 crop and 136 percent for the 1948 crop. The new parity price for flaxseed in 1950 will be slightly higher than parity calculated by the old method.

Prices to farmers for #1 flaxseed harvested in 1949 are supported through producer loans at $3.99 per bushel, Minneapolis basis compared with $6.00 for the 1948 crop. The support price at other leading terminal markets varies from $3.69 to $4.14 per bushel. Flaxseed grading #2 is supported at 5 cents per bushel less than the support price for #1. No support price is available for flaxseed which does not grade U.S. #1 or #2.

High prices for flaxseed and good yields per acre resulted in a 1948 crop considerably larger than needed to provide all the linseed oil consumed in the United States. The total available supply of flaxseed and linseed oil for the 1949-50 crop year was nearly 81 million bushels. Of this total, 41 million bushels represents the estimated 1949 crop; over 20 million bushels, the July 1, 1949 carry-over of old crop flaxseed; and 19 million bushels, the flaxseed equivalent of linseed oil stocks on July 1, 1949 from old crop flaxseed. About 36 million bushels of flaxseed and linseed oil in terms of flaxseed, acquired at the 1948 crop support prices, were held by CCC July 1, 1949.

About 5 million bushels of flaxseed, (including a small quantity of linseed oil in terms of flaxseed) were exported from the United States from July 1, 1948 through June 30, 1949. Until early 1948, the United States had been a net importer of flaxseed for 35 years.

Table 10.- Price to farmers, acreage, production, net trade, crushings, and stocks of flaxseed, and stocks of linseed oil in terms of flaxseed, United States, 1937-49

	Flaxseed						
Year beginning July	Season average price to farmers, per bushel	Planted acreage	Production	Net imports (+) or net exports (-)	Crushings	Total stocks, July 1 1/	Stocks of linseed oil July 1, in terms of flaxseed
	Dollars	1,000 acres	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.
Average, 1937-41	1.63	2.3	19.5	+16.8	33.9	3.8	7.4
1942	2.36	4.7	41.0	+ 6.3	44.3	6.2	11.8
1943	2.83	6.2	50.0	+16.8	54.6	4.4	10.1
1944	2.91	2.9	21.7	+ 5.0	32.9	12.2	17.7
1945	2/ 2.89	4.0	34.6	+ 3.4	29.4	3.1	8.2
1946	4.04	2.6	22.6	+ 1.3	24.6	6.6	5.7
1947	6.15	4.2	40.5	+ .7	30.1	2.2	7.6
1948	5.76	4.9	3/ 52.5	- 4.1	37.3	7.2	6.9
1949		4.9	3/ 41.2			20.5	19.1

Compiled from reports of Bureau of the Census and U. S. Department of Agriculture.

1/ Partly estimated before 1948.

2/ In addition, farmers were eligible for payments of $5.00 per planted acre (equivalent to 56 cents per bushel at the average yield of 9 bushels per acre).

3/ Preliminary.

World supplies of flaxseed and linseed oil for the 1949 crop year (including supplies in the United States), are estimated at over 233 million bushels in terms of flaxseed. World output of flaxseed in 1949, and early 1950 in the Southern Hemisphere, despite substantial declines in the United States and Canada, is estimated at 133.3 million bushels, 10 percent below last year's crop. Stocks of flaxseed and linseed oil (in terms of seed) in the important producing countries on July 1, 1949 probably were well in excess of 100 million bushels. At least 90 percent of these stocks were in the Western Hemisphere.

Canada's 1949 flaxseed production is estimated at 2.3 million bushels compared with 17.7 million the year before. Flaxseed acreage was drastically cut in 1949 and production is near the prewar level. If this trend continues, the country again may become a net importer. Argentina's 1949 flaxseed crop, estimated at 23.5 million bushels, is larger than in 1948 despite a decrease in acreage but is only about 35 percent as large as prewar. The 1949 harvest in India of 17.6 million bushels of flaxseed is the largest since 1940. Exports of flaxseed from India since the war, however, have averaged only about 2 million bushels a year compared with 10 million prewar. European flaxseed production in 1949 is 8.1 million bushels, slightly larger than in 1948 and 50 percent greater than the prewar average. Total African flaxseed production in 1949 is estimated at 4.9 million bushels, more than double that of a year ago and nearly ten times as large as prewar. This primarily reflects an expansion in acreage.

Soybeans in Relatively Strong Competitive Position

Under the Agricultural Act of 1949, price support for soybeans produced in 1950 is permissive at any level not higher than 90 percent of the new parity price at the beginning of the marketing year.

Price supports for the 1949 crop are based on 90 percent of the comparable price September 1, 1949. These supports are $2.11 per bushel for green and yellow varieties grading U. S. No. 2 and containing not more than 14 percent moisture, delivered at country shipping points. Premiums and discounts will apply to other grades. Black, brown, and mixed varieties grading No. 2 are being supported at $1.91 per bushel. Prices are being supported by means of non-recourse loans and purchase agreements.

The season average price to farmers for the 1948 crop of soybeans was $2.27 per bushel, slightly above the support of $2.18 per bushel for green and yellow varieties. The price was lower than for the 2 preceding crops but was higher than for any other crop since 1925, when most soybeans were sold for planting. The average price for soybeans in 1949-50 may be slightly lower than a year earlier, reflecting moderately lower prices for edible vegetable oils.

Exports of soybeans from the United States in the year ended September 1949 totaled 22 to 23 million bushels. Exports of soybean oil were about 300 million pounds, equivalent to more than 30 million bushels. Hence exports of soybeans and soybean oil totaled around 55 million bushels, in terms of soybeans, compared with a total domestic processing and exports of somewhat over 200 million bushels. Exports of soybeans and soybean oil are likely to be large again in 1949-50. World supplies of oilseeds available for crushing in Europe are still substantially less than prewar. Soybeans from Manchuria, the major prewar source, are still moving in world trade in limited quantities. And soybeans from the United States are priced competitively with other oilseeds and fats and oils. The longer-term outlook for soybeans remains relatively favorable. In addition to a strong export demand for crushing, soybeans are benefiting from expanding domestic uses of soybean oil and meal in recent years.

Table 11.- Soybeans: Price to farmers, supply, and disposition, United States, 1937-41

Year beginning October	Season average price per bushels received by farmers	Production	Stocks October 1	Total supply	Exports 1/	Processing for oil and meal	Seed	Residual 2/
	Dollars	Mil.bu.	Mil.bu.	Mil.bu.	Mil.bu.	Mil.bu.	Mil.bu.	Mil.bu.
Average, 1937-41	.96	76.7	N.A.	76.7	3.5	54.6	15.4	N.A.
1942	1.61	187.5	6.0	193.5	.9	133.5	21.0	25.6
1943	1.82	190.1	12.5	202.7	1.0	142.3	19.8	25.5
1944	2.05	192.0	14.2	206.1	5.1	153.4	18.9	21.0
1945	2.08	192.1	7.7	199.8	2.9	159.5	16.5	16.7
1946	2.57	201.3	4.3	205.6	3.9	170.2	17.1	9.0
1947	3.34	183.6	5.4	188.9	3.0	161.4	15.5	6.5
1948 4/	2.27	220.2	2.6	222.8	3/ 20.8	3/171.6	15.0	
1949 4/		211.2						

Compiled from reports of Bureau of the Census and U. S. Department of Agriculture.

1/ Including shipments to U. S. Territories, before April 1948.
2/ Computed from unrounded numbers. Includes use for feed, direct use for food, and loss.
3/ October 1948-August 1949.
4/ Preliminary.
N.A. Not available.

Table 12.- Imports and exports of fats, oils, oil-bearing materials and fat-and-oil products in terms of oil, average 1937-41, annual 1948, and January-August 1948 and 1949

Item	Imports for consumption				Exports 1/			
	Average 1937-41	1948	January-August		Average 1937-41	1948	January-August	
			1948	1949			1948	1949 2/
	Mil.lb.	Mil.lb.	Mil.lb.	Mil.lb.	Mil.lb.	Mil.lb.	Mil lb.	Mil.lb.
Food fats and oils								
Butter	3.8	.2	3/	.3	9.5	4/12.1	4/8.0	8.6
Lard	3/	3/	3/	3/	272.7	322.6	217.9	476.5
Oleo oil	---	---	---	---	3.8	.1	.1	1.2
Oleo stock	---	---	---	---	2.9	.8	3/	1.3
Stearine, animal, edible	1.0	---	---	---	.3	---	---	.3
Tallow, edible	2.9	3/	---	---	.2	1.4	1.3	20.1
Total, edible animal fats	7.7	.2	3/	.3	289.4	337.0	227.3	508.0
Corn oil	14.2	3/	---	---	.3	.1	.1	1.2
Cottonseed oil	72.1	3.6	3.3	---	11.0	34.5	25.3	84.2
Cottonseed (15.5 percent)	---	---	---	---	---	1.6	1.3	1.7
Olive oil, edible	48.5	36.1	23.5	12.9	---	.1	.1	.1
Peanut oil	16.1	.1	.1	3/	2.4	.7	.7	42.9
Peanuts, shelled (43 percent)	---	---	---	---	---	170.7	85.0	125.8
Sesame oil	9.9	1.4	1.3	.2	---	---	---	---
Sesame seed (47 percent)	4.8	10.6	9.7	3.7	---	---	---	---
Soybean oil	7.0	.4	.2	.2	10.5	85.7	68.2	269.2
Soybeans (15 percent)	---	---	---	---	30.9	58.5	20.8	149.8
Sunflower oil	.8	3/	3/	3/	5/	---	---	---
Teaseed oil	10.0	3.6	3.4	.1	---	---	---	---
Vegetable oils, shipments to U.S. Territories	---	---	---	---	8.5	8.1	5.3	7.6
Total, edible vegetable oils	183.4	55.8	41.5	17.1	63.6	360.0	206.8	682.5
Soap fats and oils								
Fish oils	2.6	18.8	8.6	4.8	2.7	11.8	8.5	22.2
Greases	---	3/	3/	3/	4.5	20.2	7.7	43.2
Marine mammal oils	25.4	39.1	31.2	8.0	2.9	.3	.3	---
Olive oil, inedible and "foots"	25.7	9.8	7.4	.6	---	.9	.8	.5
Palm oil	301.2	63.3	36.5	56.1	17.3	9.7	8.5	5.6
Tallow, inedible	7.7	1.0	.9	1.1	1.5	68.0	36.0	252.3
Total, slow-lathering oils	362.6	132.0	84.6	70.6	28.9	110.9	61.8	323.8
Babassu oil	.4	3.1	1.2	2.1	---	---	---	---
Babassu kernels (63 percent)	48.9	39.0	22.2	19.9	---	---	---	---
Coconut oil	362.8	109.1	54.1	72.4	33.4	20.1	17.7	9.7
Copra (63 percent)	335.9	564.2	419.6	291.4	27.8	1.2	1.2	3.5
Murumuru kernels (36 percent)	1.2	---	---	---	---	---	---	---
Palm-kernel oil	28.8	14.7	7.9	3.6	---	---	---	---
Palm-nut kernels (45 percent)	14.8	3/	3/	4.1	---	---	---	---
Tucum kernels (43 percent)	2.4	5.1	5.0	8.8	---	---	---	---
Total, lauric-acid oils	795.2	735.2	510.0	402.3	61.2	21.3	18.9	13.2
Drying oils								
Flaxseed (35.4 percent) 6/	351.7	21.3	20.5	2.9	---	32.5	.3	60.2
Linseed oil	.1	4.0	3.6	1.3	3.3	29.6	23.9	3.0
Oiticica oil	16.0	17.6	10.9	5.7	---	---	---	---
Perilla oil	28.9	---	---	---	---	---	---	---
Perilla seed (37 percent)	.5	---	---	---	---	---	---	---
Tung oil	100.4	133.3	82.1	35.5	5.0	10.9	5.4	7.7
Total, drying oils	497.6	176.2	117.1	45.4	8.3	73.0	29.6	70.9
Other industrial oils and fats								
Cashew-nut shell liquid (oil)	2.7	6.0	4.0	3.0	---	---	---	---
Castor oil	.5	2.4	1.4	3.9	1.0	2.1	1.0	1.7
Castor beans (45 percent)	95.0	136.1	84.6	73.4	---	---	---	---
Fish-liver oils	46.7	23.2	17.3	11.0	---	7.7	5.6	.4
Japan wax (tallow)	3.0	3/	3/	.1	---	---	---	---
Neat's-foot oil	---	.3	.1	.1	.6	.2	.1	.5
Rapeseed oil	10.3	3.7	3.6	2.1	---	.1	3/	3/
Vegetable tallow	2.7	3/	3/	---	---	1.1	.9	2.5
Wool grease	3.0	.3	.1	5.4	---	---	---	.3
Other vegetable oils and fats	---	1.4	.9	.3	13.2	3.3	2.4	2.1
Total, other industrial	163.9	173.4	112.0	99.3	14.8	14.5	10.0	7.5
Manufactured products (fat content)								
Margarine 7/	1.9	.5	.3	.2	1.3	5.4	4.0	3.0
Shortening	1.4	3/	3/	3/	8.0	10.6	7.4	21.1
Soap	2.8	.6	.4	.3	30.8	47.4	29.3	32.0
Total, manufactured products	6.1	1.1	.7	.5	40.1	63.4	40.7	56.1
Exports through private relief agencies	---	---	---	---	---	25.8	18.7	8/8.7
Grand total 9/	2,016.7	1,273.9	865.8	635.4	506.3	1,005.7	613.7	1,670.8

Compiled from Foreign Commerce and Navigation of the United States, and reports of the Bureau of the Census and United States Department of Agriculture.

1/ Includes shipments to United States Territories of butter, lard, and manufactured products (shipments 1948 and 1949 partly estimated); reexports of coconut, palm, and tung oils, olive-oil foots, and copra. 2/ Preliminary. 3/ Less than 50,000 pounds. 4/ Includes actual weight of butter spreads (Army). 5/ Not separately reported. 6/ 1937-41, 34 percent yield; 1948 variable yields, based on production of oil and crushings of flaxseed. 7/ Imported margarine goes largely to Puerto Rico and the Virgin Islands. 8/ January-March 1949 only. 9/ Computed from unrounded numbers.

Table 13.- Fats and oils, including margarine and shortening: Production from domestic and imported materials, January-August 1949, and factory and warehouse stocks at end of month, August 1949, with comparative data

Items grouped by major use	Production 1/				Stocks 2/		
	August 1948	August 1949	January-August 1948	January-August 1949	August 31 1948	July 31 1949	August 31 1949
	Mil.lb.	Mil.lb.	Mil.lb.	Mil.lb.	Mil.lb.	Mil.lb.	Mil.lb.
PRIMARY FATS AND OILS							
Food fats and oils							
Butter 3/	117.3	129.4	861.6	999.2	97.6	136.8	153.9
Lard and rendered pork fat 4/	90.6	128.3	1,070.4	1,210.0	165.5	120.5	94.2
Oleo oil, oleo stock, edible animal stearine, and edible tallow	11.7	17.6	85.2	126.5	10.6	13.0	10.6
Total edible animal fats	219.6	275.3	2,017.2	2,335.7	273.7	270.3	258.7
Corn oil	15.7	20.3	126.5	145.3	9.8	11.0	9.9
Cottonseed oil	51.2	64.8	636.1	890.1	90.9	185.0	113.5
Olive oil, edible	---	---	2.3	4.8	2.2	2.8	2.4
Peanut oil	2.4	5.1	95.8	73.2	15.1	7.2	5.3
Sesame oil 5/	.2	.5	9.7	3.7	1.3	.5	.2
Soybean oil	105.3	136.0	1,046.8	1,233.5	122.8	183.7	148.3
Total edible vegetable oils	174.8	226.7	1,917.2	2,350.6	242.1	390.2	279.6
Soap fats and oils							
Tallow, inedible, and greases, excluding wool grease 6/	127.8	174.3	1,311.8	1,415.4	339.6	380.7	369.9
Palm oil	---	---	---	---	18.1	36.1	34.8
Fish oil	27.8	19.7	66.6	52.1	49.4	42.3	53.5
Whale and seal oils	.2	.1	.3	.7	27.7	.3	.7
Olive oil, inedible and foots	N.A.	N.A.	N.A.	N.A.	.1	2.1	1.3
Total slow-lathering oils	155.8	194.1	1,378.7	1,468.2	434.9	461.5	460.2
Babassu oil 5/	1.3	1.1	22.2	19.9	5.4	.5	.6
Coconut oil	41.4	45.0	421.7	285.4	82.2	91.1	89.8
Other lauric-acid oils 5/	.2	.4	5.0	12.9	7/	3.2	1.8
Total lauric-acid oils	42.9	46.5	448.9	318.2	87.6	94.8	92.2
Drying oils							
Castor oil, dehydrated 8/	4.4	2.9	32.1	22.8	7.0	4.8	4.5
Linseed oil	72.2	77.1	470.9	479.2	165.3	397.6	428.7
Oiticica oil	---	---	---	---	4.9	3.9	3.2
Tung oil	---	N.A.	15.1	15.2	43.0	30.2	23.8
Total drying oils	76.6	80.0	518.1	517.2	220.2	436.5	460.2
Other industrial oils and fats							
Neat's-foot oil	.2	.2	1.2	1.5	.9	1.0	.8
Sperm-whale oil	---	---	---	---	9/	25.5	19.9
Wool grease	1.4	.7	14.0	5.8	7.4	.4	.5
Cod oil and fish-liver oils	.5	.5	2.9	3.6	12.8	10.0	7.0
Castor oil, No. 1 and No. 3 10/	6.5	7.6	57.7	61.4	20.4	32.0	31.1
Rapeseed oil	N.A.	---	N.A.	N.A.	6.5	2.4	2.7
Other vegetable oils	---	---	---	---	12.2	9.6	9.2
Total	8.6	9.0	75.8	72.3	60.2	80.9	71.2
Grand total 11/	678.5	831.5	12/6,944.0	12/7,625.1	1,318.5	1,734.0	1,622.0
From domestic materials	622.6	774.1	12/6,375.0	12/7,216.1			
From imported materials	55.9	57.4	569.0	409.0			
FAT-AND-OIL PRODUCTS							
Oleomargarine 13/	73.3	79.1	602.0	562.1	6.6	8.3	7.6
Shortening	113.7	156.7	913.3	960.4	62.0	64.4	52.9

Compiled from reports of the Census, except as noted. Data include stocks held by the Government in reported positions.

1/ Factory production except as otherwise noted.

2/ In case where refined and crude oils are reported separately in 1948, figures represent crude oil plus refined oil converted to crude basis by dividing by the following factors: Babassu, corn, cottonseed, palm kernel and palm oils, 0.93; coconut, peanut, and soybean oils, 0.94. Beginning 1949 crude and refined oils added together without making conversions.

3/ Creamery butter production and cold-storage stocks, United States Department of Agriculture.

4/ Federally inspected production, United States Department of Agriculture.

5/ Production computed as oil equivalent of imported seeds or kernels.

6/ Total apparent production, Bureau of Agricultural Economics (Computed from factory consumption, trade, and stocks).

7/ Included in "Other vegetable oils."

8/ In 1948 converted to crude basis by dividing by 0.88; beginning 1949, no conversion made.

9/ Included with "Whale and seal oils" before 1949.

10/ Production of No. 1 and No. 3 minus production of dehydrated castor oil.

11/ Computed from unrounded numbers.

12/ Includes estimated output of farm butter and nonfederally inspected lard, 588 million pounds in 1948 and 563 million pounds in 1949.

13/ Bureau of Internal Revenue.

Table 14.- Price received by farmers and prices at terminal markets for specified oil-bearing materials and oilmeals, September 1947 and 1948, July-September 1949

Item	Unit	September 1947	September 1948	1949 July	1949 Aug.	1949 Sept.
		Dol.	Dol.	Dol.	Dol.	Dol.
		Oil-bearing materials				
Castor beans, Brazilian ports	Long ton	212.50	128.00	104.60	103.25	105.50
Copra, Philippine, c.i.f. Pacific Coast	Short ton	175.00	246.25	163.00	177.50	159.50
Cottonseed, United States average	Short ton	75.60	68.10	37.50	44.40	43.50
Flaxseed, No. 1, Minneapolis	Bushel	6.39	6.00	3.86	3.91	3.94
Flaxseed, United States average	Bushel	6.18	5.74	3.59	3.56	3.63
Peanuts, No. 1 shelled, Spanish, Southeastern shipping points *....	100 lb.	16.25	16.58	17.25	17.12	16.75
Peanuts, United States average *....	100 lb.	10.00	10.40	10.40	10.20	10.20
Soybeans, No. 2 Yellow, Chicago	Bushel	1/ 2.92	--	2.64	1/3.20	2.21
Soybeans, United States average	Bushel	3.05	2.45	2.27	2.00	2.14
		Oilseed meals 2/				
Copra meal, Los Angeles 3/	Short ton	79.10	83.80	57.60	55.75	51.50
Cottonseed meal, 41 percent protein, Memphis	Short ton	89.90	62.80	68.25	60.90	57.75
Cottonseed meal, 41 percent protein, Chicago	Short ton	95.75	72.45	77.30	78.30	68.10
Linseed meal, 34 percent protein, Minneapolis	Short ton	87.70	64.50	60.90	62.90	62.40
Linseed meal, 34 percent protein, New York	Short ton	94.60	76.20	73.10	75.55	75.30
Peanut meal, 45 percent protein, f.o.b. Southeastern mills	Short ton	89.15	66.30	69.20	81.10	70.00
Soybean meal, 41 percent protein, Chicago	Short ton	102.70	81.50	85.55	100.30	83.15

Compiled from Oil, Paint and Drug Reporter, Daily Market Record (Minneapolis), Chicago Journal of Commerce, reports of the Bureau of Agricultural Economics, and records of Production and Marketing Administration.

1/ One carload.
2/ Bagged carlots.
3/ Original quotations adjusted to bagged-carlots basis.

* These prices apply to peanuts for edible uses.

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